

## **Procedures for Annual Adjustments Floyd County**

### **Residential**

- Step 1: A review of the neighborhoods was conducted during the 2006 annual adjustment of Floyd County that constituted combining 541 neighborhoods. Newer neighborhoods were added. Otherwise the neighborhoods were left alone.
- Step 2: The Residential land values were trended by sales of vacant land within the neighborhood. Sales were used of vacant parcels as well as improved parcels that were vacant at the time of sale. In neighborhoods where there were no vacant land sales, the land was trended using an allocation of land to building using improved sales. Values were adjusted using trending factors; there were no base rates changed.
- Step 3: After the land factors were established, those values were added to the current improvement values and compared to the improved sale prices. A separate trending factor was then applied to the dwelling of the property to raise or lower the values to an acceptable median level. If there were no sales in the neighborhood, then consideration was given to homes for sale in the neighborhood or the neighborhood was trended as similar neighborhoods.
- Step 4: The newly established trending factors were applied to all properties within that neighborhood and a sales ratio study and abstract were ran to verify the changes.

### **Commercial / Industrial**

- Step 1: A review of the neighborhoods was conducted during the 2006 annual adjustment of Floyd County that constituted combining 424 neighborhoods. There were no changes made to the neighborhoods during the 2010 trending process.
- Step 2: The C/I land values were trended by sales of vacant land within the neighborhood. Using the sales of vacant parcels as well as improved parcels that were vacant at the time of sale a sales ratio study was performed. Due to the lack of sales in any one township, the land sales were grouped countywide. The land values for rural commercial and industrial properties were trended with the same factor applied to the residential land.

Step 3: After the land factors were established, those values were added to the current improvement values and a sales ratio study was performed on the total value. In reviewing the commercial properties and industrial sales ratios, the following was noted:

There were not sufficient sales to establish trending factors for Franklin, Georgetown, Greenville, and Lafayette townships. Those areas were therefore trended by analyzing the trending factors for New Albany Township as well as correlating the residential trending that occurred in those townships.

Step 4: The established trending factors were applied to all properties within that neighborhood and a sales ratio study and abstract were ran to verify the changes.

**Due to the number of sales, the sales used were from 01/01/2008 through 03/01/2010. The sale price was adjusted annually by 1.5% established by using paired sales analysis.**